



**Board of Education
November 19, 2007**

\$8,805,000

South Dakota Health and Educational Facilities Authority
Vocational Education Program Revenue Refunding Bonds, Series 2007
Current Refunding of Series 1997 - FINAL Numbers

Refunding Summary

Part 1 of 2

Dated 11/08/2007 | Delivered 11/08/2007

Sources Of Funds

| | |
|---|-----------------------|
| Par Amount of Bonds | \$8,805,000.00 |
| Transfers from Prior Issue DSR Funds | 624,963.81 |
| Reoffering Premium | 343,745.60 |
| Transfers from Prior Issue Debt Service Funds | 111,720.01 |
| Total Sources | \$9,885,429.42 |

Uses Of Funds

| | |
|---|-----------------------|
| Deposit to Current Refunding Fund | 8,403,749.32 |
| Deposit to Debt Service Reserve Fund (DSRF) | 823,250.00 |
| <i>Transfer to General Fund</i> | <i>475,000.00</i> |
| Costs of Issuance | 72,000.00 |
| Total Underwriter's Discount (0.800%) | 70,440.00 |
| Gross Bond Insurance Premium (32.2 bp) | 40,000.00 |
| Rounding Amount | 990.10 |
| Total Uses | \$9,885,429.42 |

Flow of Funds Detail

| | |
|--|----------------|
| State and Local Government Series (SLGS) rates for | 10/18/2007 |
| Date of OMP Candidates | |
| Current Refunding Escrow Solution Method | Net Funded |
| Total Cost of Investments | \$8,403,749.32 |
| Interest Earnings @ 3.634% | 70,065.68 |
| Total Draws | \$8,473,815.00 |
| Debt Service Reserve Fund Solution Method | Gross Funded |
| Total Cost of Investments | \$823,250.00 |
| Total Draws | \$823,250.00 |

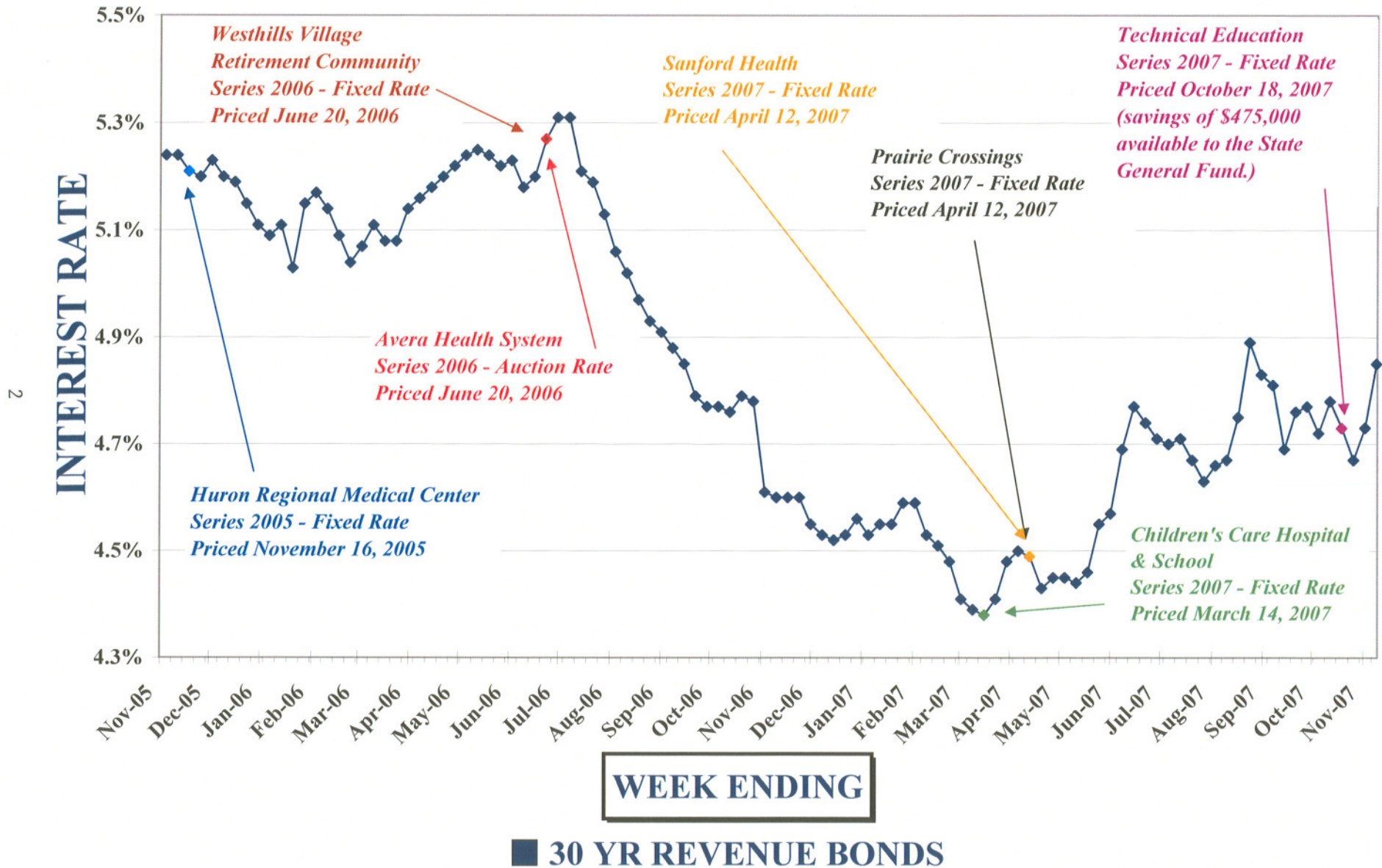
Issues Refunded And Call Dates

| | |
|-------------|-----------|
| Series 1997 | 2/01/2008 |
|-------------|-----------|

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Bond Buyer's Revenue Index

November 1, 2005 thru November 9, 2007



**Technical Institutes
Facility Fee History
As of 11/15/07**

Until June 1, 1993

All facilities

\$10/mo.

Additional 10% of tuition for specialty,
part-time or adult programs.

On or after June 1, 1993

All facilities

\$126 per full time

\$10.50 per credit hour part time.

On or after July 1, 1996

All facilities

\$135 per full time

\$11.25 per credit hour part time.

On or after Second Semester 1999/2000

All facilities

\$151 per full time

\$12.60 per credit hour part time.

First Semester 2006/2007

All facilities

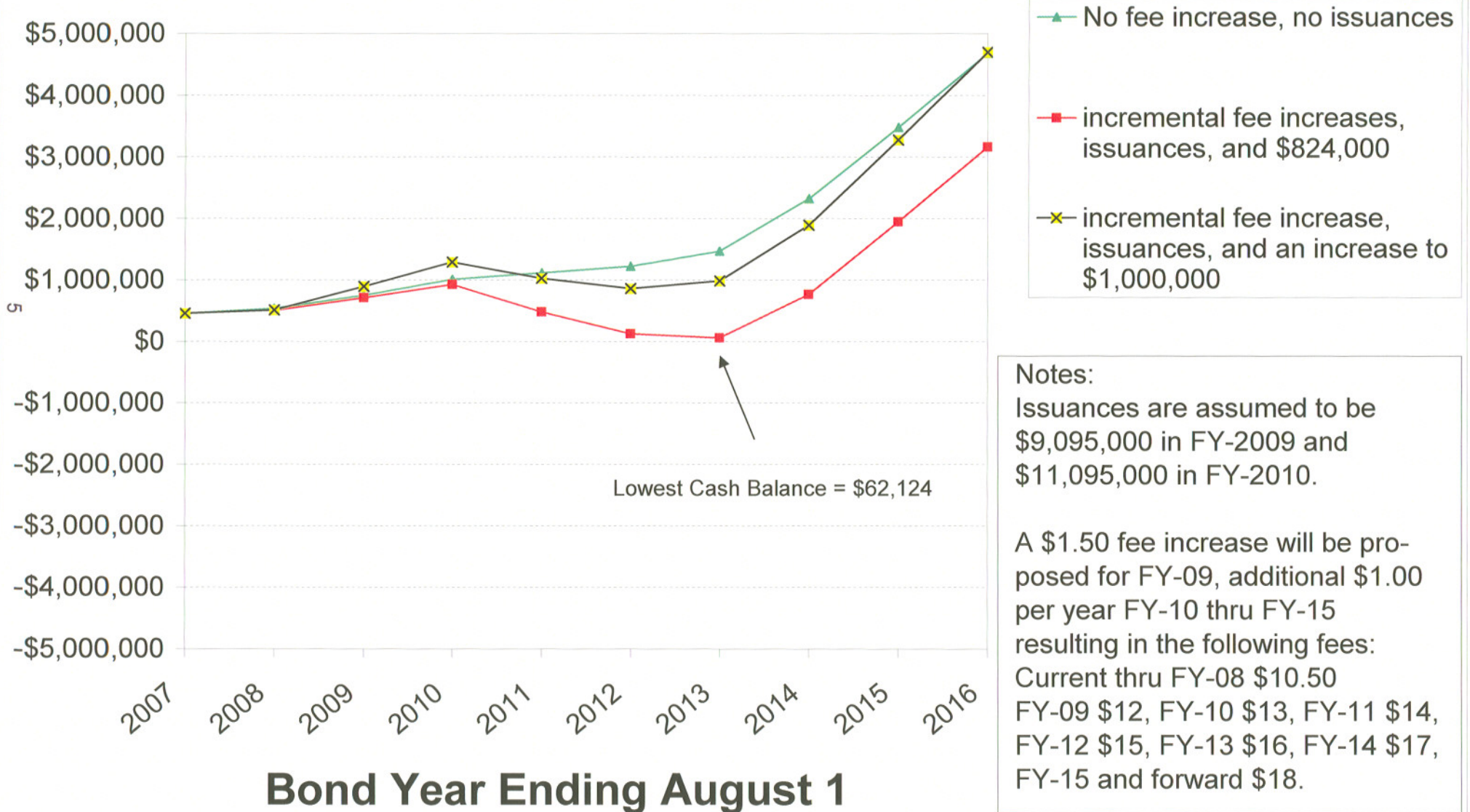
\$10.50 per credit hour

Technical Education Future Financings
Actual cash flows and projected future cash flows
\$824,000 annual general fund appropriation raised to \$1,000,000 in FY-09
Student Fees increase of \$1.50 in FY-09, additional \$1.00 increase per year in FY-10 thru FY-15

Assumes FY-09 Issuance of \$9,095,000 and FY-10 Issuance of \$11,095,000

| | <i>ref</i> | <u>actual</u> <u>FY-06</u> | <u>actual</u> <u>FY-07</u> | <u>projected</u> <u>FY-08</u> | <u>projected</u> <u>FY-09</u> | <u>projected</u> <u>FY-10</u> | <u>projected</u> <u>FY-11</u> |
|-----------------------------|------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Facility Fees | <i>a</i> | 1,443,900 | 1,704,622 | 1,704,622 | 1,948,139 | 2,110,484 | 2,272,829 |
| State Contribution | <i>b</i> | 824,000 | 824,000 | 824,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Interest - DS & DSR 2.7% | <i>c</i> | 61,024 | 64,662 | 64,662 | 64,662 | 64,662 | 64,662 |
| Interest - Tuition SA 2.4% | <i>d</i> | 44,739 | 37,082 | 40,557 | 41,765 | 51,019 | 60,509 |
| Interest - Voc. Ed. Fund 3% | <i>e</i> | 41,201 | 46,801 | 46,801 | 46,801 | 46,801 | 46,801 |
| Interest - Project Fund 3% | <i>f</i> | - | - | - | 120,000 | 160,000 | - |
| Total Revenues | | 2,414,863 | 2,677,167 | 2,680,642 | 3,221,367 | 3,432,967 | 3,444,801 |
| Total bond payments | | 2,505,094 | 2,557,590 | 2,580,295 | 2,785,770 | 2,987,574 | 3,657,549 |
| Fees | <i>h</i> | 36,680 | 35,512 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Expenditures | | 2,541,774 | 2,593,102 | 2,630,295 | 2,835,770 | 3,037,574 | 3,707,549 |
| FY - Excess (Deficit) | | (126,911) | 84,065 | 50,347 | 385,597 | 395,393 | (262,748) |
| Cash Balance - beginning | <i>i</i> | 4,332,745 | 3,921,201 | 4,061,296 | 4,111,642 | 4,497,240 | 4,892,633 |
| Construction Payments | | | | | | | |
| Bonds Issued and Other | | (284,633) | 56,029 | | | | |
| Adjustments | | | | | | | |
| Capitalized Interest | | | | | | | |
| FY - Excess (Deficit) | | (126,911) | 84,065 | 50,347 | 385,597 | 395,393 | (262,748) |
| Cash Balance - ending | <i>l</i> | 3,921,201 | 4,061,296 | 4,111,642 | 4,497,240 | 4,892,633 | 4,629,885 |
| | | <u>projected</u> <u>FY-12</u> | <u>projected</u> <u>FY-13</u> | <u>projected</u> <u>FY-14</u> | <u>projected</u> <u>FY-15</u> | <u>projected</u> <u>FY-16</u> | <u>projected</u> <u>FY-17</u> |
| Facility Fees | <i>a</i> | 2,435,174 | 2,597,519 | 2,759,864 | 2,922,209 | 2,922,209 | 2,922,209 |
| State Contribution | <i>b</i> | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Interest - DS & DSR 2.7% | <i>c</i> | 64,662 | 64,662 | 64,662 | 64,662 | 64,662 | 64,662 |
| Interest - Tuition SA 2.4% | <i>d</i> | 54,203 | 50,219 | 53,239 | 74,972 | 108,226 | 142,365 |
| Interest - Voc. Ed. Fund 3% | <i>e</i> | 46,801 | 46,801 | 46,801 | 46,801 | 46,801 | 46,801 |
| Interest - Project Fund 3% | <i>f</i> | - | - | - | - | - | - |
| Total Revenues | | 3,600,840 | 3,759,201 | 3,924,566 | 4,108,644 | 4,141,898 | 4,176,037 |
| Total bond payments | | 3,716,850 | 3,583,355 | 2,969,013 | 2,673,073 | 2,669,445 | 2,668,675 |
| Fees | <i>h</i> | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Expenditures | | 3,766,850 | 3,633,355 | 3,019,013 | 2,723,073 | 2,719,445 | 2,718,675 |
| FY - Excess (Deficit) | | (166,010) | 125,846 | 905,553 | 1,385,571 | 1,422,453 | 1,457,362 |
| Cash Balance - beginning | | 4,629,885 | 4,463,875 | 4,589,721 | 5,495,274 | 6,880,845 | 8,303,299 |
| Bonds Issued and Other | | | | | | | |
| Adjustments | | | | | | | |
| FY - Excess (Deficit) | | (166,010) | 125,846 | 905,553 | 1,385,571 | 1,422,453 | 1,457,362 |
| Cash Balance - ending | | 4,463,875 | 4,589,721 | 5,495,274 | 6,880,845 | 8,303,299 | 9,760,660 |

TECHNICAL EDUCATION TUITION SUB ACCOUNT - PROJECTED CASH



STATE BOARD OF EDUCATION

RESOLUTION (i) AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF CERTAIN INCREASE IN FACILITY FEES TO BE CHARGED AT SOUTH DAKOTA VOCATIONAL TECHNICAL INSTITUTES AND (ii) AUTHORIZING AMENDMENTS OR SUPPLEMENTS TO THE FACILITY FEE TUITION COLLECTION AND DEPOSIT AGREEMENT WHICH SECURES THE VOCATIONAL EDUCATION PROGRAM REVENUE BONDS.

Adopted November 19, 2007

RESOLUTION (i) AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF CERTAIN INCREASE IN FACILITY FEES TO BE CHARGED AT SOUTH DAKOTA VOCATIONAL TECHNICAL INSTITUTES AND (ii) AUTHORIZING AMENDMENTS OR SUPPLEMENTS TO THE FACILITY FEE TUITION COLLECTION AND DEPOSIT AGREEMENT WHICH SECURES THE VOCATIONAL EDUCATION PROGRAM REVENUE BONDS.

RECITALS

WHEREAS, Rapid City Area School District No. 51-4 (the "Rapid City School District"), Sioux Falls School District No. 49-5 (the "Sioux Falls School District"), Watertown School District 14-4 ("Watertown School District") and Mitchell School District No. 17-2 (the "Mitchell School District" and together with the Rapid City School District, Sioux Falls School District and Watertown School District, the "Participating Institutions") are authorized pursuant to Title 13, South Dakota Codified Laws to operate post-secondary vocational technical education institutes under the general supervision of the State Board of Education (the "Board"); and

WHEREAS, the South Dakota Health and Educational Facilities Authority (the "Authority") is authorized pursuant to Chapter 1-16A, South Dakota Codified Laws, to issue bonds to finance the acquisition and improvement of post-secondary vocational technical education facilities for use by the Participating Institutions and the Board; and

WHEREAS, Title 1-16A and Title 13, South Dakota Codified Laws, permits the Board to lease purchase post-secondary vocational technical education facilities from the Authority and permits the Board to sublease such facilities to the Participating Institutions; and

WHEREAS, the Authority has established a program (the "Program") whereby the Board may lease purchase post-secondary vocational technical education facilities from the Authority and sublease such facilities to the Participating Institutions; and

WHEREAS, the Authority and the Board have heretofore entered into a Lease Purchase Agreement dated as of August 1, 1988 as amended and supplemented by eleven (11) previous Supplements through and including the Eleventh Supplement to Lease Purchase Agreement dated as of November 1, 2007 (collectively, as so amended and supplemented, the "Lease") pursuant to which the Board is leasing with an option to purchase certain facilities the acquisition of which was financed or refinanced with the proceeds derived from the issuance and sale by the Authority of its Vocational Education Program Revenue Bonds issued pursuant to an Indenture of Trust dated as of August 1, 1988 between the Authority and The First National Bank in Sioux Falls, as Trustee (the "Trustee") as supplemented and amended by nine supplemental indentures through and including the Ninth Supplemental Indenture of Trust dated as of November 1, 2007 (collectively, as so amended and supplemented the "Indenture"); and

WHEREAS, pursuant to the Authority's Program in order to provide a credit against Lease Rentals owed by the Board under the Lease Purchase Agreement as heretofore amended and supplemented, the Participating Institutions have entered into a certain Fifth

Supplement to Facility Fee Tuition Collection and Deposit Agreement (the "Collection Agreement") with the Board, the South Dakota Treasurer (the "Treasurer") and The First National Bank in Sioux Falls, as Escrow Holder (the "Escrow Holder"); providing for the collection of Facility Fees on a current basis and the deposit of such Facility Fees to the Tuition Subaccount (an account of the Treasurer's maintained with the Escrow Holder); and

WHEREAS, executed counterparts or copies of the Lease and the Indenture described above and all related documents and instruments heretofore executed and delivered in connection with the Program are on file with the Board; and

WHEREAS, this Board proposes to increase the Facility Fees as described below;

NOW THEREFORE, BE IT RESOLVED, BY THE SOUTH DAKOTA BOARD EDUCATION AS FOLLOWS:

THE PROGRAM

Section 1.1 This Board finds that it is desirable and expedient increase the Facility Fees in the amounts and effective on the dates set forth below:

(a) Effective for the beginning of the 2008-2009 academic year, the Facility Fees at each Participating Institution shall increase from \$10.50 per credit hour for all full-time and part-time students to \$12.00 per credit hour for all full-time and part-time students; and

(b) Effective for the beginning of the 2009-2010 academic year, the Facility Fees at each Participating Institution shall increase from \$12.00 per credit hour for all full-time and part-time students to \$13.00 per credit hour for all full-time and part-time students.

Section 1.2 This Board hereby approves the execution and delivery by its President or any other officer of the Board of one or more supplements or amendments to the Collection Agreement to implement the terms of this resolution.